

## Message Text

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ACTION IO-14

INFO OCT-01 EUR-12 ISO-00 AF-10 ARA-14 EA-12 NEA-11  
EB-08 AID-05 COME-00 LAB-04 SIL-01 TRSE-00 SS-15  
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FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 6469

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E.O. 11652:N/A  
TAGS: OCON, UNIDO  
SUBJECT: SUMMARY REPORT OF TENTH SESSION OF PERMANENT  
- COMMITTEE

1. SUMMARY. FOLLOWING CONSENSUS REVISION OF AGENDA, THE PC-X PLENARY SESSIONS WERE HELD TO A STRICT SCHEDULE BY CONFERENCE CHAIRMAN, AMBASSADOR HOFFMANN OF THE FRG. CONTENTIOUS POLITICAL ISSUES OF TECHNICAL ASSISTANCE TO THE NAMIBIAN AND PALESTINIAN PEOPLES WERE REFERRED TO AN AD HOC CONTACT DRAFTING GROUP ON THE AUTHORITY OF THE CHAIRMAN. IN ADOPTING THE FINAL REPORT, THE CONFERENCE MERELY TOOK NOTE OF ALL ITEMS WITH FOLLOWING EXCEPTIONS. THE NAMIBIAN ITEM WAS ADOPTED BY CONSENSUS WITH RESERVATIONS THEN EXPRESSED BY WESTERN COUNTRIES. THE PALESTINIAN ITEM WAS ADOPTED BY VOTE. THE PROPOSED ESTABLISHMENT OF AN AD HOC JOINT UNCTAD/UNIDO EXPERT GROUP WAS REFERRED TO IDB-XII FOR DECISION. END SUMMARY.

2. FOLLOWING ELECTIONS OF OFFICERS, THE PROVISIONAL AGENDA, ON MOTION BY THE GDR AND IN ACCORDANCE WITH GROUP  
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B DESIRES, WAS AMENDED AS FOLLOWS:

-- 4(A): 1977 ANNUAL REPORT OF THE EXECUTIVE DIRECTOR.

-- 4(B): TECHNICAL ASSISTANCE TO THE NAMIBIAN PEOPLE  
AND TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE.

- 4(C): MEDIUM-TERM PLAN OF UNIDO FOR 1980-1983 AND WORK PROGRAM FOR 1980-81.
- 4(D): PROPOSED ESTABLISHMENT OF AN AD HOC JOINT UNCTAD/UNIDO EXPERT GROUP.

3. AGENDA ITEM 4(A): 1977 ANNUAL REPORT OF THE EXECUTIVE DIRECTOR. IN HIS INTRODUCTORY REMARKS, THE EX-DIR CHOSE TO STRESS TWO ITEMS: FIRST, HE CONSIDERED THAT THE ESTABLISHMENT OF THE SYSTEM OF CONSULTATIONS WAS A MAJOR ADVANCE TOWARDS MEETING GOALS SET BY UNIDO-II AND THAT THE EXPANSION OF THE SYSTEM INTO OTHER INDUSTRIAL SECTORS AS WELL AS TO THE REGIONAL AND GLOBAL LEVELS WAS OF "BASIC IMPORTANCE TO UNIDO'S OVERALL WORK PROGRAM". SECOND, HE FELT THAT UNIDO'S PROGRESS IN OTHER AREAS WAS LESS SATISFACTORY AND CONSIDERED LACK OF ADEQUATE FUNDING TO BE THE CAUSE OF THIS SHORTCOMING. MOST DELEGATIONS, IN TRUE UNIDO TRADITION, BEGAN THEIR INTERVENTIONS WITH COMPLAINTS OF THE EXTREME LATENESS IN RECEIVING THE DOCUMENTATION FOR THE MEETING, ESPECIALLY IN LANGUAGES OTHER THAN ENGLISH. MOST THEN CONTINUED WITH BASICALLY NON-AGGRESSIVE CRITICISMS. G-77 COUNTRIES COMMENTED ON THE 17 DECLINE IN TECHNICAL ASSISTANCE TO LATIN AMERICA AND THE 10 DECLINE TO AFRICA. CHINA AND A NUMBER OF G-77 COUNTRIES STRESSED UNIDO'S ROLE IN DEVELOPING THE SELF-RELIANCE OF THE DEVELOPING COUNTRIES. MOST GROUP B COUNTRIES CALLED FOR INCREASED ANALYSIS OF THE PROJECTS DESCRIBED IN THE REPORT. THE U.S.DEL MADE UNCLASSIFIED

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STATEMENT WITH FOLLOWING MAIN POINTS:

- SATISFACTION WAS EXPRESSED AT NEWLY SYSTEMATIC APPROACH WITHIN THE SECRETARIAT TO TRANSFER OF TECHNOLOGY.
- THE ROLE OF THE PROPOSED DATA BANKS IN THE PROMOTION OF PRIVATE INVESTMENT WAS NOTED.
- CAUTION ON EXPANDING THE SYSTEM OF CONSULTATIONS WAS URGED, THOUGH IT WAS AGREED THAT THE OPEN EXCHANGE OF VIEWS BETWEEN ALL THOSE ENGAGED FROM WHATEVER ASPECT IN THE RESPECTIVE INDUSTRY SECTORS HAD BEEN PROMISING.
- IT WAS EMPHASIZED THAT A FAVORABLE PUBLIC OPINION WOULD DEPEND UPON UNIDO'S PERFORMANCE AND COULD NOT BE GENERATED SOLELY BY A PUBLIC RELATIONS EFFORT.
- CONTINUED EFFORTS TOWARDS DEVELOPMENT OF AN EVALUATION SYSTEM AND INCREASING THE PARTICIPATION OF WOMEN WERE URGED.

-- AN EXPLANATION OF CONTINUED RISE IN SUPPORT COSTS WAS REQUESTED.

-- IN REFERENCE TO THE COUNTRY PROFILES ADDENDUM, A NUMBER OF SUGGESTIONS WERE MADE TO MAKE THE DOCUMENT MORE USEFUL IN PROVIDING AN ACCURATE PICTURE OF ACTUAL PROJECT IMPLEMENTATIONS WITHIN EACH COUNTRY.

4. AGENDA ITEM 4(B): TECHNICAL ASSISTANCE TO THE NAMIBIAN AND PALESTINIAN PEOPLES. MOST DELEGATIONS INTERVENING MADE SEPARATE STATEMENTS ON THE TWO PAPERS. GROUP D AND G-77 COUNTRIES EXPRESSED TOTAL SUPPORT TO SWAPO AS THE SOLE REPRESENTATIVE OF THE NAMIBIAN PEOPLE. GROUP B COUNTRIES EXPRESSED SUPPORT OF THE SHORT-TERM TRAINING PROPOSALS, REQUESTED MORE SPECIFICS ON THE LONGER-TERM PRO-

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GRAM AND URGED THAT THE AID BE DESIGNED FOR THE WHOLE NAMIBIAN PEOPLE AND NOT BE RESTRICTED TO ANY SINGLE POLITICAL GROUP. THE U.S.DEL STATEMENT, WHICH LED OFF THE DEBATE, ALSO REMINDED THE CONFERENCE OF THE U.S. ROLE IN THE FIVE-NATION CONTACT GROUP WORKING FOR NAMIBIAN INDEPENDENCE (VIENNA 4201). DEBATE ON PALESTINIAN ISSUE FOLLOWED SIMILAR LINES, WITH FEW RHETORICAL EXCESSES. ISRAELI OBSERVER MADE LEGAL OBJECTIONS TO PROPOSALS BASICALLY ON GROUNDS

THAT THE PLO DID NOT CONSTITUTE A "DEVELOPING COUNTRY". U.S.DEL STATEMENT SAID THE USG DID NOT OPPOSE THE TYPE OF ASSISTANCE PROPOSED, BUT FELT THAT IT SHOULD BE DELIVERED THROUGH UNRWA WHICH THE UN HAD ESTABLISHED AS ITS CHANNEL FOR AID TO THE PALESTINIAN PEOPLE. MANY GROUP B DELEGATIONS AND U.S. EXPRESSED VIEW THAT EX-DIR HAD PERHAPS EXCEEDED AUTHORITY IN IMPLEMENTING PROPOSALS BEFORE APPROVAL BY IDB. IN HIS REPLY, THE EX-DIR SAID NO OBJECTIONS HAD BEEN RAISED AT PC-IX WHEN INFORMATION SHEET WAS CIRCULATED ANNOUNCING THE SECRETARIAT'S INTENTION TO FULFILL THE ECOSOC RESOLUTIONS CALLING ON COOPERATION WITH THE PLO. RATHER THAN SUMMING UP, THE CHAIRMAN FIRST CIRCULATED THE DRAFT CONCLUSIONS ON BOTH ITEMS (WHICH HAD BEEN FORMALLY SUBMITTED BY THE GDR) FOR INFORMAL DISCUSSIONS AND THEN REFERRED THEM TO AN AD HOC CONTACT DRAFTING GROUP CHAIRED UNCLASSIFIED

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BY AMBASSADOR JIMETA OF NIGERIA (VIENNA 4298). DESPITE NUMEROUS MEETINGS OF GEOGRAPHIC GROUPS AND THE DRAFTING GROUP, CONSENSUS TEXTS COULD NOT BE REACHED (VIENNA 4348 AND VIENNA 4366). IN THE NAMIBIAN DRAFT, THE G-77 WOULD NOT AGREE TO REMOVAL OF REFERENCE TO SWAPO AS THE "SOLE AND AUTHENTIC REPRESENTATIVE" OF THE NAMIBIAN PEOPLE. IN PLENARY, THE CONCLUSIONS WERE ADOPTED BY THE CONSENSUS WITH U.S. THEN MAKING STATEMENT FOR THE RECORD OF RESERVATION ON BEHALF OF FIVE-NATION CONTACT GROUP (VIENNA 4446). DENMARK, ON BEHALF OF EEC COUNTRIES, MADE SUPPORTING STATEMENT. IN PALESTINIAN DRAFT, U.S. AND MOST WESTERN DELEGATIONS, HAD OBJECTIONS TO ELEMENTS OF ALL FOUR PARAGRAPHS OF REVISED G-77 DRAFT (WHICH WITH CONSENT OF GROUP D REPLACED ORIGINAL GDR PROPOSALS). IN LINE WITH INSTRUCTIONS (STATE 121122), U.S.DEL CALLED FOR ROLL-CALL VOTE. RESULTS WERE 24-1 (U.S.)-10. ALL WESTERN COUNTRIES ABSTAINED WITH EXCEPTION OF AUSTRIA, WHICH EXPLAINED AFTER VOTE THAT IT HAD INTENDED TO VOTE YES ONLY ON FIRST PARAGRAPH AND WOULD HAVE ABSTAINED ON WHOLE PROPOSAL (VIENNA 4447).

5. AGENDA ITEM 4(C): MEDIUM-TERM PLAN OF UNIDO FOR 1980-83 AND WORK PROGRAM FOR 1980-81. DEBATE ON THESE ITEMS CONTAINED MOST POINTED CRITICISM OF CONFERENCE. ONE GENERAL FEELING WAS THAT VAGUENESS OF BOTH DOCUMENTS MADE EVALUATION OF THEM NEARLY IMPOSSIBLE. GROUP D COUNTRIES LARGELY CRITICIZED THE INVESTMENT COOPERATIVE PROGRAM AS A TOOL OF THE MULTINATIONAL CORPORATIONS AND STRESSED THE IMPORTANCE OF TRAINING, OFFERING FACILITIES FOR SUCH IN THEIR COUNTRIES. MOST GROUP B COUNTRIES URGED CAUTION IN PROCEEDING WITH EXPANSION OF SYSTEM OF CONSULTATIONS AND EXPRESSED RESERVATIONS AT QUANTITY OF MEETINGS ENVISAGED BY SECRETARIAT. FRANCE SUGGESTED THAT UNIDO-III MIGHT WELL BE PROPER OCCASION FOR A BASIC REVIEW OF THE SECTORAL CON-

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SULTATIONS. FEW G-77 COUNTRIES MADE INTERVENTIONS, DESPITE URGING BY THE CHAIRMAN. THOSE WHO DID MAINLY SUPPORTED EXPANSION OF SYSTEM OF CONSULTATIONS AND THE FUNDING OF SIDFA'S FROM THE REGULAR BUDGET. U.S.DEL MADE SEPARATE STATEMENTS ON THE TWO PAPERS. MAIN THRUST OF STATEMENT ON THE MEDIUM-TERM PLAN WAS TOWARDS INTEGRATION OF TARGETS AND EVALUATION INTO THE PROJECT DESIGN AND IMPLEMENTATION SO THAT SECRETARIAT PLANNING DOCUMENTS WOULD NO LONGER CLAIM THAT OBJECTIVE INDICATORS WERE LACKING TO MEASURE THE IMPACT OF UNIDO PROJECTS. THE IMMENSE PERCENTAGE INCREASE IN PROJECTED EXPENDITURES (EXTRAPOLATED, WITH DIFFICULTY, FROM DOLLAR FIGURES MENTIONED IN ONE SECTION OF THE NARRATIVE DESCRIPTION) WAS ALSO QUERIED. SIMILAR COMMENTS CONCERNING LACK OF SPECIFICS AND EVALUATION WERE MADE IN THE U.S. STATEMENT ON THE WORK PROGRAM. AN OFFER FROM AID TO ACCEPT UNIDO STAFFERS IN ITS PERIODIC EVALUATION SEMINARS WAS MADE. IN HIS REPLY (THE MOST EXTENSIVE AND DETAILED OF THE CONFERENCE), THE EX-DIR DEFENDED THE FORMAT OF BOTH DOCUMENTS AS BEING SET DOWN BY THE UNNY SECRETARIAT. HE GAVE IMPLEMENTATION TARGETS AS FOLLOWS (IN MILLIONS OF U.S.DOLLARS): 1978-52.3; 1979-62.8; 1980-78.5; 1981-98; 1982-122.5; 1983-157.5. HE STATED THESE TARGETS REPRESENTED AN ANNUAL GROWTH RATE OF 15 PERCENT, ASSUMING A 10 PERCENT INFLATION. HE ASSUMED THE DESIRABLE UNIDF FUNDING LEVEL OF \$50 MILLION YEARLY WOULD BE EXCEEDED BY 1983. HIS REPLY ON EVALUATION BASICALLY EVADED THE ISSUE.

6. AGENDA ITEM 4(D): PROPOSED ESTABLISHMENT OF AN AD HOC JOINT UNCTAD/UNIDO EXPERT GROUP. THE PROPOSALS IN THIS ITEM ENCOUNTERED SIGNIFICANT QUESTIONING OF THE MANDATE AND NEED FOR SUCH A GROUP FROM GROUP B AND, UNEXPECTEDLY, FROM GROUP D (EXCEPT FOR ROMANIA). DENMARK, SPEAKING ON BEHALF OF THE EEC COUNTRIES, SAID THEY WERE NOT OPPOSED, IN PRINCIPLE, TO ESTABLISHMENT OF THE GROUP BUT WISHED CLARIFICATION ON NUMEROUS POINTS INCLUDING TERMS OF REFER-

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ENCE, THE CRITERIA FOR SELECTION OF THE EXPERTS, AND THE STATUS OF THE EXPERTS AND OF THEIR REPORTS. BULGARIA, HUNGARY, AND THE USSR ALL OPPOSED ESTABLISHMENT OF THE GROUP ON GROUNDS THAT INTERGOVERNMENTAL AGREEMENTS OF THE TYPE ENVISAGED IN THE SECRETARIAT DOCUMENT ALREADY EXISTED BETWEEN THE DEVELOPING COUNTRIES AND THE SOCIALIST COUNTRIES; CONSEQUENTLY, NO NEED EXISTED FOR UNIDO TO EXPEND ITS LIMITED RESOURCES ON INVESTIGATING SUCH AGREEMENTS. THE FEW G-77 COUNTRIES WHO SPOKE EXPRESSED FULL SUPPORT, WITH THE REPRESENTATIVE OF NIGERIA NOTING THAT SUCH ACTION AS CONTEMPLATED IN THE PROPOSAL WAS NEEDED IN ORDER NOT TO LEAVE THE DEVELOPING COUNTRIES AT THE MERCY OF THE "GENEROSITY" OF THE TNC'S. THE U.S.DEL STATEMENT REQUESTED PARTICULARLY AN IDENTIFICATION BY THE SECRETARIAT OF WHAT TRADE OR TRADE-RELATED ISSUES EXISTED WHICH WERE NOT ALREADY BEING DEALT WITH IN SUCH FORA AS GATT OR MTN. THE U.S.DEL ALSO REMINDED THE CONFERENCE THAT THE USG COULD NOT COMPEL PRIVATE U.S. COMPANIES TO ENTER INTO INDUSTRIAL COOPERATION AGREEMENTS. IN HIS REPLY, THE EX-DIR SAID THAT, IN CONSULTATION WITH THE SECRETARY-GENERAL OF UNCTAD, HE WOULD HAVE PREPARED A NEW TERMS OF REFERENCE FOR SUBMISSION FOR APPROVAL BY IDB-XII (VIENNA 4476). LEARY  
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## Message Attributes

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